

WCC Protest of BLM responses to comments - June 2017 Final EA
Protest period: through April 10, 2017

BLM Colorado State Office
2850 Youngfield St.
Lakewood, CO 80215
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Re: DOI-BLM-CO-N05-2016-0099-EA
Final EA for the June 8, 2017 Competitive O&G Lease Sale
Protest of the BLM response to Western Colorado Congress comment

To whom it may concern,

The December 2016 Western Colorado Congress (WCC) submission to BLM regarding its June 2017 lease sale EA stated that air emissions used in the impact analysis were incorrect for two reasons: 1) the per-well emission factors were wrong, and 2) the RFD level of activity related to this lease sale was wrong¹. Both would result in incorrect impact estimates. WCC now accepts that the CARMMS emission factors used in the EA, which used the CARMMS cumulative impact modeling methods², may be reasonable. The CARMMS report was commissioned by BLM to provide regional air impact analyses across Colorado³ and WCC believes this is an appropriate way of providing consistency across various BLM actions in Colorado. The EA did not follow the CARMMS method for selecting its RFD and therefore WCC continues to disagree with the EA definition of RFD used to evaluate the future (2021) air impacts. Both the EA and the CARMMS report assert that RFD is difficult to define^{4, 5} (and WCC agrees), so CARMMS provides a range of reasonable values⁶, but the EA selects a single value which is equal to the low end of the CARMMS range based on no more insight into the future activity levels than was available for the CARMMS development⁷. Future development could be much greater if the future economics encourage it. Thus the EA selection of RFD is arbitrary, and likely to be low as would be the associated impacts. The CARMMS is intended by Colorado BLM to provide a technically strong, peer reviewed, and consistent method for evaluating air impacts across Colorado and therefore this EA should follow all the CARMMS procedures. RFD and its associated impacts should be provided as a range.

Furthermore, BLM asserts in several places of the EA that since it cannot define RFD now, that it may analyze project-specific impacts in the future^{8, 9} as a substitute for providing a better estimate of cumulative impacts and protection of the air standards. This logic circumvents the purpose of an EA, which is to show cumulative impacts and possible violation of the air standards before this lease sale action can take place. WCC knows, and it is common knowledge that with production wells, individual production


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sites will likely not have significant impacts, but it is the cumulative impacts of a group of production wells that could. Thus the BLM's inference that cumulative impact problems can be picked up and corrected after the lease sale as production wells are permitted (the APD process) is irrelevant (and probably not possible). Also note that in the CO-56 permit condition, with the use of the term "may", BLM would retain the determination of which APD permits might be analyzed, and that analysis would be without the public or governmental agency input, which is a critical part of an EA. BLM must provide a meaningful air impact evaluation in this EA, and it should be based on the CARMMS-defined range of RFD.

Respectfully Submitted,

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¹ WCC Comment (December 2016):

Total regional emissions are developed by multiplying the per-well emission factors by the total number of wells (the activity level). The impact analysis of an EA is supposed to represent that of RFD and must use RFD activity levels, which for BLM are provided by the three field offices¹. The activity levels used by BLM in this EA are not their internally-generated RFD and therefore are also incorrect. It is not at all clear why BLM proposes some second set of activity levels.

This analysis uses a much lower activity level than RFD based on a minimum level of activity developed from the year 2012 – 2014 activity levels¹. Natural gas price was at an historic low in 2012 – 2014 time frame and production companies were going bankrupt. Under these economic conditions a minimum level of drilling activity would be expected so the activity levels used by BLM as prices are now rising, are unrealistically low. The projected EA impacts must be based on realistic RFD activity levels.

Taking these issues into account, it is likely the correct BLM RFD air impacts will be much higher. The Little Snake and White River districts are upwind of Mt

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Zirkel and Flat Tops Wilderness Areas, two Mandatory Class I areas where only small impact increases in pollution are allowed by law. Impact estimates on the low side hide the possible catastrophic consequences on these two sensitive areas.

Presently there are no pipelines into the eastern portion of the Little Snake district (most of Routt County) and only exploration wells are being drilled there. If the exploration wells show the area to have an economically viable field and the federal leases for that field have been sold, pipelines would be constructed into the field and development wells would be drilled on a much higher activity rate than during exploration in 2012 - 2014. The petroleum industry is leasing untested resources and drilling the exploration wells because of the likelihood of defining a productive field. The industry considers it likely, so the BLM must address it as RFD.

² EA reliance on CARMMS for some purposes, BLM second response to WCC comment

... The CARMMS provides us with an appropriate cumulative analysis for the leasing decision. ...

³ Purpose of CARMMS defined, CARMMS report title and EA p 38, line 12

COLORADO AIR RESOURCE MANAGEMENT MODELING STUDY
(CARMMS) WITH UPDATED MANCOS SHALE MODELING: 2021
MODELING RESULTS FOR THE HIGH, LOW AND MEDIUM OIL AND GAS
DEVELOPMENT SCENARIOS (CARMMS 1.5)
Final Report, March 2016

In consideration of disclosing cumulative and regional air quality impacts, the BLM initiated the Colorado Air Resources Management Modeling Study (CARMMS), which assessed statewide impacts of projected oil and gas development (federal and fee) out to year 2021 for three development scenarios (low, medium, and high). ...

⁴ EA claim that RFD is difficult to define, p37, following Table 3-5

"Since it is unknown if the parcels would be explored and/or developed, or the extent of any subsequent exploration and development on either a temporal or spatial scale, it is not possible to reasonably assess air quality impacts through dispersion modeling at this time."

⁵ CARMMS report recognizing the difficulty in defining RFD. Page 31, line 4

...Projecting future year oil and gas (O&G) emissions has many uncertainties as it depends on economic conditions (e.g., price of natural gas and oil), identification of new O&G plays, availability of exploration and development equipment and regulatory requirements. For CARMMS, future year O&G emissions were developed for a range of potential outcomes that would hopefully bound the actual future year O&G development in the region. ...

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⁶ CARMMS defined RFD range, page 31, line 9

... CARMMS developed three levels of 2021 future year O&G development within the BLM Colorado Planning Areas: ☒ High Development Scenario; Low Development Scenario; and Medium Development Scenario, which is a mitigated version of the High Development Scenario.

⁷ EA selection of lowest RFD and cumulative impact, page 39, line 27

...Based on this information, BLM has concluded that the CARMMS low scenario is appropriate for assessing future potential regional / cumulative air quality impact contributions associated with future WRFO, LSFO and KFO oil and gas development.

⁸ EA comment on possible future impact analyses, p36, first paragraph

The decision to offer the identified parcels for lease would not result in any direct emissions of air pollutants. However, the future development of these leases will result in emissions of criteria, HAP and GHG pollutants. Subsequent development of any leases sold would result in both short and longer term emissions of pollutants, including GHGs. Developmental air impacts will be addressed in further detail in a subsequent analysis when lessees file an Application for Permit to Drill (APD). The analysis will determine if any contemporaneous incremental increases from project emissions cause significant impacts at the local and regional scales. All proposed activities including, but not limited to, exploratory drilling activities would be subject to applicable local, State, and Federal air quality laws and regulations.

⁹ Exhibit CO-56 Air Quality Lease Notice (underline by WCC)

Due to potential air quality concerns, supplementary air quality analysis may be required for any proposed development of this lease. This may include preparing a comprehensive emissions inventory, performing air quality modeling, and initiating interagency consultation with affected land managers and air quality regulators to determine potential mitigation options for any predicted significant impacts from the proposed development. Potential mitigation may include limiting the time, place, and pace of any proposed development, as well as providing for the best air quality control technology and/or management practices necessary to achieve area-wide air resource protection objectives. Mitigation measures would be analyzed through the appropriate level of NEPA analysis to determine effectiveness, and will be required or implemented as a permit condition of approval (COA). ...

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